(c) whether it is also a fact that a request has already been made to Government for lowering the interest rate; and

(d) if so, the decision so far taken on this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Currently the lending rates have been deregulated and the banks are free to set their Prime Lending Rates (PLR), which would be the minimum rate charged by banks for credit limits over Rs. 2 lakhs. However, for agricultural loans, it has been stipulated that the lending rates for credit limits of Rs. 2 lacs and below should not exceed the PLR. As a substantial portion of the agriculture credit accounts falls under credit limits up to Rs. 2 lacs, there is no proposal at present to modify the interest rate for loans to farmers.

Investment by RBI in foreign countries

†670. SHRI KAPIL SIBAL:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Reserve Bank of India invest capital in foreign countries;

(b) if so, the details of the capital invested in foreign countries during the years 1999-2000, 2000-2001 and 2001-2002 and first nine months of 2002-2003;

(c) the details of the countries where such investment has been made together with the capital invested; and

(d) the annual profit earned as result of such investment during the said years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) The level of foreign currency assets at the end of March 1999, March 2000, March 2001, March 2002 and end-December 2002

†Original notice of the question was received in Hindi.

was US$ 29.5 billion, US$ 35.1 billion, US$ 39.6 billion, US$ 51.0 billion and US$ 67.0 billion respectively. The entire foreign currency assets of the country are invested in approved foreign securities and in deposits of foreign central and commercial banks and the Bank for International Settlements.

(d) Net returns on foreign currency assets and gold during 1999-2000, 2000-01 and 2001-02 was 4.6 per cent, 6 per cent and 4.5 per cent respectively.

Compensation to States over implementation of VAT

671. SHRI SURESH PACHOURI:
SHRI K. RAMA MOHANA RAO:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Central Government have decided not to give 100 per cent compensation to States while switching over to VAT which starts from April, 2003; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) No, Sir. The Government of India would compensate the revenue loss, if any, upon introduction of VAT by the States at the rate of 100 per cent in the first year (2003-04), 75 per cent in the second year (2004-05) and 50 per cent in the third year (2005-06), based on an agreed formula.

Outstanding dues against Essar Power Ltd.

672. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Essar Power Ltd. has defaulted on the payment of principal and interest thereon of the I.F.C.I. since 2000;

(b) if so, what are the details of the outstanding dues against the company at present; and